(GoM) on FDI, while considering the proposal for review of FDI policy in January 2006, recommended, *inter-alia* the proposal to remove Agriculture and Plantation, with exclusions, from the list of prohibited activities, and recommended listing out the permitted activities in these sectors under the sectoral policy. No recommendation was made by the Group of Ministers to open up for hundred percent FDI through automatic route the Agriculture & Plantation sector. However, the Group of Ministers recommended amendment to the permitted activities as incorporated in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, amended on 18.6.2003, by inclusion of 'Aqua-culture' and deletion of 'etc', appearing after the word 'mushroom'.

(c) and (d) Yes Sir, it has been clarified to the Communist Party of India (Marxist) that hundred percent FDI has not been allowed in the Agriculture & Plantation sector, beyond the changes indicated in paragraph (a) & (b) above. It is further clarified that the extant/present policy with regard to FDI in Agriculture and Plantation is as follows:

(i) FDI up to 100% is permitted under the automatic route in the under-mentioned activities viz. Floriculture, Horticulture, Development of Seeds, Animal Husbandry, Pisciculture, Aqua-culture and Cultivation of Vegetables & Mushrooms, under controlled conditions and services related to agro and allied sectors.

(ii) FDI up to 100% with prior Government approval is permitted in Tea plantation subject to the conditions of divestment of 26% equity of the company in favour of an Indian partner/Indian public within a period of five years; and prior approval of the State Government concerned in case of any future land use change.

(iii) Besides the above two, FDI is not allowed in any other agricultural sector/activity.

Crop diversification in Tea Gardens

883. SHRI PRASANTA CHATTERJEE; Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government are considering crop diversification in tea gardens of North Bengal in view of the deteriorating conditions of tea industry; and

(b) if so, the details in this regard?

THE MINISTRY OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH):

(a) and (b) The Government of West Bengal has allowed use of land within tea gardens for growing medicinal and aromatic crops for improving economic viability of these gardens. As all the tea lands in West Bengal are Government land which have been leased out to tea companies, introduction of any other crop within the tea land would require prior approval of the State Government.

Multinationals in retail market

†884. SHRI RAVI SHANKAR PRASAD:
DR. MURLI MANOHAR JOSHI:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that multinational companies, alongwith big industrialists in the country have started to enter in the retail market in the smaller cities alongwith big cities;

(b) if so, the details of multinational companies and companies of big industrialists which have taken decision in this regard so far; and

(c) the total capital proposed to be invested by those companies in the retail market?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) Foreign Direct Investment (FDI) policy does not allow FDI in the retail trade except in retail trade of 'Single Brand' products. FDI up to 51 % with prior Government approval only, has been allowed in the retail trade of 'Single Brand' products subject to the following conditions:

(i) Products to be sold should be of 'Single Brand' only;

(ii) Products should be sold under the same brand internationally; and

(iii) 'Single Brand' product-retailing would cover only products which are branded during manufacturing.

Proposals on 'Single Brand' retail trade are considered based on the above guidelines.

(b) and (c) Government have received 8 Proposals for FDI in Single Brand Product retailing out of which one proposal has been approved and one has been rejected. Details of these proposals are given in the Statement *(see* below). No data is maintained centrally regarding companies of big industrialists which have taken a decision to enter the retail market.

†Original notice of the question was received in Hindi.